GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:371
ANSWERED ON:02.03.2005
KHADI CERTIFICATION
Singh Shri Prabhunath

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a): whether Khadi Certification Rules of the Khadi and Village Industries Commission (KVIC) required Khadi Institutions to create Artisans Welfare Fund (AWF) through subscriptions from the artisans to be supplemented by matching contribution by the institutions and in case of serious violation of the Certification Rules, the Commission was to suspend the certification of the institution;

(b): whether sum of Rs. 87.22 lakh realized from artisans and contributed by the three directly aided institutions (Kshetriya Shri Gandhi Ashram, Raibareli, Meerut and Sultanpur of Uttar Pradesh during the period 1990-2003 was neither deposited in bank nor interest accrued, amounting to Rs. 53.72 lakh was credited in the passbooks of artisans by these three institutions;

(c): if so, the reasons for not suspending the certificates of these institutions and awarding proper penalty for violation of the Certification Rules;

(d): whether KVIC still continued to release rebate claim and gave financial assistance of about Rs. 4 crore as loan to these institutions in violation of its own Rules; and

(e): if so, the steps taken by the Government for the protection of artisans rights?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a): Yes, Sir. The Khadi Certification Rules and the Khadi Certification Code 2003 provide for the creation of Artisan Welfare Fund for the welfare of the self -employed artisans by institutions from out of artisans` subscriptions and matching contribution of the institutions at such rates as may be prescribed by the all India Khadi Certification Committee or the Khadi and Village Industries Commission (KVIC) or its authorized officers.

(b)&(c): Yes, Sir. These three khadi institutions, namely, Kshetriya Shri Gandhi Ashram, Meerut, Kshetriya Shri Gandhi Ashram, Sultanpur and Kshetriya Shri Gandhi Ashram, Raibareily depend on the liquidity available with them for buying the new materials, supplying the same to the khadi artisans, buying the yarns, supplying it to weavers, buying grey yarn from the artisans and finally payment of wages to the artisans. These institutions provide employment to 6945 khadi spinners, weavers and other related artisans. Any punitive action such as suspension of Khadi Certificate of these institutions would cause further suffering to the artisans on account of loss of wages/employment. Hence, their certificates have not been suspended yet.

(d): Rebate claims have been released to the three institutions as non-payment of rebate would have led to further liquidity crisis in these institutions.

(e): As a measure of providing social security to the artisans, 2530 number of artisans of these three institutions have been covered under the Janashree Bima Yojana which provides insurance coverage against death and disability. The coverage of artisans under this programme is expected to increase further. KVIC has also advised these institutions to deposit the amounts in the Artisan Welfare Fund to the extent of default in a phased manner.